

NEWS WRAP

AGD

Though USA is technically no longer in a recession, economic recovery could be without rise in employment. Unemployment in USA is at 10 percent. If part time workers who fail to get a full time job are included along with those on prolonged unemployment, unemployment figures could be around 17 percent. After a three-year decline, American house prices rose in June 09. But new housing construction, which indicated recoveries from record low levels of early 2009, fell by 4 percent between Nov and Dec 09. US Federal Reserve purchases of mortgage backed securities and US government's financial bail out of mortgage giants, are due to end in March 2010. Government support raised house prices in USA by 5 percent in 2009. Shaky mortgage loans and continued job losses are driving larger number of households to loan defaults. In 2009, nearly 3 million properties entered foreclosures. Filings for default and bankruptcy increased by 14 percent during Nov/Dec 2009. The marginal economic recovery in USA will keep loan demand weak. US financial banks have experienced a fall in capital-markets revenues in the quarter Oct to Dec, caused by a drop in fees from fixed income, currencies and commodities (FICC).

Meanwhile conservative Republican messages of opposing higher taxes, same-sex marriage, gun control and the administration's feeble measures on terrorism, have ensured the victory of the Republican candidate, Scott Brown over Democrat candidate, Marth Coakley, in the Massachusetts seat of the US senate. This senate seat was in Democratic hands since 1953. Rising government deficit with an expensive health-care reform plan have made voters to be reluctant to pay increased taxes, or suffer restrictions on their benefits to assist the disadvantaged minority. A large number of democratic senators and representatives are not seeking re-election in the 2010 mid-term polls.

AFGHAN DEAL

The mountains in Afghanistan continue to be used by the Taliban to fire grenades at government and western convoys. The Afghan president Hamid Karzai's newly appointed cabinet is considered as more corrupt than his last. Divisions between civilian and military officials have resulted in a reported suspension of the militia programme, aimed at assisting the Afghans to provide their own security by establishing local militias which could include former Taliban. The Taliban influence is spreading. The US President Barack Obama announcing a Dec 09 military strategy, to include a surge of 30,000 American troops, along with a target date of July 2011 to begin withdrawal of troops, is now being considered by US Officials as a "bad tactical error". Taliban are achieving victory by blowing up soldiers, and tightening their grip on the civilian population. Hamid Karzai has launched a British and US backed plan for "reintegration" of the Taliban, and inviting international funding, to offer jobs and bribes, for buying out the insurgents. Even though the document on the "grand peace council" offers "key leaders of the Taliban movement" an opportunity for amnesty and re-integration, the international community insists that key Taliban leaders like Mullah Moha-mmud Omar, will not be part of any such plan. The younger and "new" Taliban are less rigid than the elders, and

dislike the Arabs, who are the vast majority of Al-Qadea fighters and responsible for bringing misery to Afghanistan. There is a large faction of the Taliban that wanted to expel Al-Qaeda, after the bombing of the twin towers in New York (2002). The Pashtun conservatist nationalists will not accept an external victor's "Peace", similar to that of 2002.

Bribery and the drugs trade constitute a quarter each (\$2.5 billion each) of Afghanistan's annual gross domestic product. Afghan security forces and policemen are to be increased to 400,000 by 2013. With western intervention, a new world order is being tested in Afghanistan, where Pakistan, India, Saudi Arabia, Iran, Russia and China, have a stake in any future deal.

OF PIGS AND HUMANS

Owing to widespread terrorist threats, "blast injuries" are an increasing problem, to western governments. At the Defence Science and Technology Laboratory in Wiltshire (UK), there have been a series of biological and chemical research tests in Jan/Feb 2010, where live pigs were blown up with explosives. The British government's secret and military research laboratory at Porton Down, conducted explosions on live pigs, to measure simulated effects of terrorist attacks on civilian targets.

The pigs were allowed to bleed, until a third of their blood dripped, to gauge how long they could be kept alive. None of the pigs survived the experiments. British MPs and animal welfare groups have opposed the use of live animals in the explosions even though the pigs were anaesthetised throughout. Scientists have observed that the effect on an anaesthetised pig of a bomb blast, would be different from those of a conscious human being.

NANDIGRAM

The left front West Bengal state government has sanctioned compensation to the next of the kin of the eight Trinamool Congress supporters, who were killed during the clash and "recapture" at Nandigram (Nov 07), led by armed CPI(M) activists. The decision to grant compensation to those killed, and those with houses damaged, has emanated from pressure exercised by the National Human Rights Commission.

POVERTY LINE BASKETS

80 percent of rural and 50 percent of urban population in India are consuming less than 2400 calories, 2100 calories per day respectively. Even though adjusted over time to cope with price fluctuations, the 1973-74 baseline prices have been India's reference point for Poverty Line Baskets (PLB) of goods and services. The Indian government is yet to identify those living below the poverty line. The all-India rural and urban PLBs are anchored in the per capita calorie norms of 2400 (rural) and 2100 (urban) per day. The union ministry of rural development's Saxena Committee Report identifies 49.1 percent of India's population living below the poverty line. Around 23 percent of the poor do not possess a ration card nor the BPL card. About 17.4 percent of ration cards are held by the rich. Suitable modifications in the definition of poverty have not been undertaken by the government, taking into notice variables such as current prices, and expenditure on education and health by the poor. The Arjun Sen Gupta Committee, formed by the government for the unorganized sector, noticed that more than 77 percent of the people are forced to live on Rs 20 per day. □□□

